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Report of the Secretary-General on the activities of the Office of Internal Oversight Services

Report of the Office of Internal Oversight Services on its audit of the regional commissions

Note by the Secretary-General*

1. Pursuant to General Assembly resolutions 48/218 B of 29 July 1994 and 54/244 of 23 December 1999, the Secretary-General has the honour to transmit, for the attention of the General Assembly, the attached report, conveyed to him by the Under-Secretary-General for Internal Oversight Services, on the audit of the regional commissions.

2. The Secretary-General takes note of the findings and generally concurs with the recommendations made in the report, which will contribute to improvements in the management of the regional commissions.

* The present report could not be submitted prior to the deadline owing to the time required to evaluate and incorporate the various comments received on the report's findings and recommendations.

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Report of the Office of Internal Oversight Services on its audit of the regional commissions

Summary

From 2001 to 2003, the Office of Internal Oversight Services (OIOS) conducted audits of the five regional commissions — the Economic Commission for Africa (ECA), the Economic Commission for Europe, the Economic Commission for Latin America and the Caribbean, the Economic and Social Commission for Asia and the Pacific, and the Economic and Social Commission for Western Asia (ESCWA). OIOS also conducted an audit of the New York office of the regional commissions. The audits evaluated the efficiency and effectiveness of programme and administrative management. The present report is based on the findings and recommendations of those audits and highlights areas requiring special attention from management and legislative bodies.

Overall, OIOS found that the regional commissions had established adequate financial and administrative controls. During the last few years, the commissions had implemented reforms and undergone restructuring, resulting in the initiation of more relevant and appropriate substantive programmes. The implementation rate of those programmes during the biennium 2002-2003 ranged from 87 to 94 per cent.

OIOS recommends that to support the Economic and Social Council's discussion of the linkages among the work of the regional commissions and other United Nations entities in the economic and social sectors, the New York office of the regional commissions, with the guidance of the Executive Secretaries, should make its annual report more succinct and reorganize it by moving section IV of the report (which summarizes the Executive Secretaries' discussions on common issues of interest) to the beginning. OIOS further recommends that discussions relating to the regional commissions in the Economic and Social Council should be moved from the general segment to a special segment, with a day dedicated to incorporating the regional perspectives into the wide-ranging issues being considered at a global intergovernmental forum.

In the view of OIOS, the overall coherence and effectiveness of intergovernmental bodies need to be reviewed constantly for adherence to rules and procedures, functionality and timely reporting and follow-up on recommendations. The calendars of the regional commissions' annual/biennial sessions should also be harmonized with the submissions of the biennial programme plan (a component of the strategic framework) and the proposed programme budgets to the Headquarters Office of Programme Planning, Budget and Accounts.

OIOS found inconsistencies and weaknesses in the planning, selection, scope, methodology, conclusions, timing and costs of the self-evaluation exercises carried out by most of the regional commissions. Moreover, there was no systematic monitoring of recommendations arising out of those exercises to determine if specific process improvements had been achieved. In addition, the management of regional advisers in the regional commissions was found to be ineffective, owing primarily to problems in coordinating and integrating their activities with the programmes of work of the substantive divisions.

OIOS recommends that ESCWA and ECA review the need for a separate statistics division, with a minimum critical mass of statisticians to strengthen their statistical strategy and outputs and better guarantee methodological standards in their respective regions.

OIOS further recommends that the regional commissions establish mechanisms for: (i) assessing the quality of publications; (ii) categorizing a publication as a "flagship" and harmonizing flagship publication issuance; (iii) conducting peer-review exercises; and (iv) assessing the composition of the readership. Policies on access to publications and their downloading from web sites also needs to be standardized.

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I. Introduction

1. In response to General Assembly resolution 50/227 of 24 May 1996 and Economic and Social Council resolution 1996/41 of 26 July 1996, the United Nations regional commissions have been carrying out reforms aimed at achieving greater efficiency and effectiveness in the economic, social and related fields in their respective regions. In this context, annex III to Council resolution 1998/46 of 31 July 1998 clarified the dual roles of the regional commissions as regional outposts of the United Nations and integral parts of their respective institutional landscapes. Promoting policy coherence and cooperation among the regional commissions should also help them to respond more effectively to region-specific demands for their services.

2. From 2001 to 2003, the Office of Internal Oversight Services (OIOS) conducted audits of the five regional commissions — the Economic Commission for Africa (ECA), the Economic Commission for Europe (ECE), the Economic Commission for Latin America and the Caribbean (ECLAC), the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Economic and Social Commission for Western Asia (ESCWA). OIOS also conducted an audit of the New York office of the regional commissions. The audits evaluated the efficiency and effectiveness of programme and administrative management. The present report is based on the findings and recommendations resulting from those audits and highlights areas of common interest requiring special attention from the management and legislative bodies of the commissions.

3. The Executive Secretaries of the regional commissions were requested to comment on the individual audit reports and on a draft of the present report (which includes a number of new recommendations). Management's comments and actions taken in response to the OIOS recommendations are shown in the present report and appear in italics.

II. Deliberation of issues relating to the regional commissions by the Economic and Social Council

4. The work of the regional commissions is currently taken up during the general segment of the Economic and Social Council session. The annual report on regional cooperation in the economic, social and related fields, prepared by the New York office of the regional commissions facilitates that discussion and the adoption of any proposed resolutions for change and strategic development on common issues. Resolutions arising from sessions of the regional commissions are brought to the Council's attention by way of separate addendums to the report.

5. The annual report is the most critical instrument in the presentation of the policy issues and activities of the regional commissions to the Economic and Social Council, and in the Council's discussion of the linkages among the work of the regional commissions and other United Nations entities in the economic and social sectors. Therefore, the New York office of the regional commissions, with the guidance of the Executive Secretaries of the regional commissions, should make the report more succinct and reorganize it by moving section IV, which summarizes the discussions among the Executive Secretaries on common issues of interest, to the beginning. Moreover, the introduction of the report should include, for the Council's

consideration and approval, proposals relating to policy coherence and cooperation among the regional commissions themselves and among the regional commissions and other related United Nations entities (Recommendation 1).

6. The general segment referred to in paragraph 4 occurs near the end of the Economic and Social Council session and deals with routine regional cooperation issues. The high-level segment, conducted during the first few days of the session, is attended by high-level participants from the Member States and addresses global issues on which the regional commissions provide regional perspectives. In the opinion of Office of Internal Oversight Services, discussions relating to the regional commissions in the Council should be moved from the general segment to a special segment, with a day dedicated to incorporating the regional perspectives into the wide-ranging issues being considered at a global intergovernmental forum. In addition, the participation of the regional commissions in the special and high-level segments should include the Executive Secretaries and representatives of the regional intergovernmental mechanisms, such as Chairpersons of the regional commissions or other nominated representatives. Participation of the regional commissions in preparatory meetings for those segments would also enhance their dialogue with the Economic and Social Council (Recommendation 2).

7. *On behalf of the regional commissions, the New York office of the regional commissions advised OIOS that the special segment could be held following the high-level segment and before the coordination and operational segments. That would enable the Executive Secretaries to participate in the high-level segment, its round tables and the special segment in one visit to New York. Alternatively, the special segment could be scheduled in October during the resumed session of the Economic and Social Council. That alternative would similarly allow the Executive Secretaries, in one visit to New York, to participate in debates of the General Assembly on economic and social issues.*

III. Management of the governance structures of the regional commissions

8. The OIOS review of the intergovernmental machinery of the regional commissions found that, in general, the overall coherence and effectiveness of such bodies required improvement by way of standardizing rules and procedures for the establishment and proper functioning of those bodies (including subsidiary bodies) and regularly reviewing rules on membership and attendance at meetings. In addition, clearer mandates for each body should be defined so as to eliminate any overlap, and the reasons why those bodies do not meet regularly should be analysed so as to revisit their mandates. There was also a need to address any lack of alignment between the servicing of these intergovernmental bodies and the programme of work of the divisions, and to systematize the reporting and follow-up on any recommendations made by those bodies (Recommendation 3). *ESCWA stated that an integrated review of the impact of intergovernmental bodies in the various regions to facilitate the exchange of best practices among all the regional commissions would be helpful. However, that should be preceded by independent reviews of the intergovernmental bodies by each regional commission. Uniform or similar evaluation approaches would facilitate that exercise. ECA concurred and*

stated that as a result of its reform efforts over the past few years, it was already in compliance with that recommendation.

Calendar of meetings

9. In the opinion of the Office of Internal Oversight Services, the calendars of the annual/biennial sessions of the regional commissions should be harmonized with the submissions of the biennial programme plan (a component of the strategic framework) or the proposed programme budgets to the Headquarters Office of Programme Planning, Budget and Accounts (Recommendation 4).

Economic Commission for Africa

10. Programmatic issues raised by ECA subsidiary bodies were not always followed up adequately and addressed by the substantive divisions and the subregional offices. Although synergies within the ECA secretariat were sought in developing the work programmes, those synergies were not apparent in the way the ECA secretariat serviced the meetings of intergovernmental bodies: substantive divisions did not invite subregional offices to participate in planning the meetings of the subsidiary bodies they serviced and vice-versa. OIOS had recommended that the ECA secretariat monitor the overall coherence of the intergovernmental machinery and the effectiveness of each body.

11. *ECA stated that its new Office of Policy and Programme Coordination had successfully implemented the recommendation, and all issues raised by the intergovernmental bodies had been followed up or were in the process of being resolved. In addition, ECA had conducted a comprehensive review of the functioning of the subsidiary bodies with a view to increasing their effectiveness and synergies.*

Economic Commission for Europe

12. ECE needed to determine whether it was possible to simplify its governing structure so as to avoid overlapping meetings and duplication of effort. For example, the Group of Experts on the Programme of Work, which was specifically created to review resource reallocation among ECE subprogrammes, made no suggestions in that area, but had made a number of useful suggestions concerning other areas of the programme. Therefore, changes in the mandate of the Group of Experts are necessary to reflect its involvement in organizational and programme management issues properly. The same is true for the Steering Group, which had been created to strengthen policy coherence and synergy within ECE, but which had experienced difficulty in distinguishing itself from the Group of Experts. Moreover, there were no guidelines for the establishment and functioning of ad hoc entities related to intergovernmental bodies.

13. OIOS had recommended that the ECE secretariat propose to ECE that: (i) the mandate of the Group of Experts be revisited to reflect its involvement in organizational and programme management issues properly; (ii) the Steering Group specify its role and status within the ECE governance framework; and (iii) guidelines concerning the operation of subsidiary or ad hoc entities related to intergovernmental bodies be finalized. *ECE agreed with the OIOS recommendations and stated that at its recently concluded session it had commissioned a comprehensive report on the state of ECE. The report would cover the mandate of the Group of Experts and its relationship to other bodies, including the Steering*

Group. Therefore, the process of implementing proposals (i) and (ii) above would be done within that report framework. With respect to proposal (iii), the referenced guidelines had been adopted in 2003.

Economic Commission for Latin America and the Caribbean

14. Intergovernmental bodies were not meeting regularly or being used optimally by the ECLAC secretariat. The Committee of the Whole, established in 1952, which should have been meeting in each odd-numbered year, had not met since 1997. The Committee of High-level Government Experts, established in 1971, should have been meeting in even-numbered years, but had not met since 1994. The Central American Economic Cooperation Committee, established in 1952, seemed to be totally non-functional and the ECLAC secretariat could not provide OIOS with information on when that body had last met. Finally, the most recent meeting of the Ad hoc Working Group had been in 2000. OIOS also found that ECLAC was continuing to budget expenditures for those committees on a non-specific basis, thereby making the monitoring of resource allocation difficult. OIOS had recommended that the ECLAC secretariat initiate a review and reassessment of its intergovernmental structure so as to activate those entities which could be useful and provide them with the appropriate resources. Recommendations to revitalize and support those entities that could be useful, and a change in the focus of others that have been inactive, should be presented to the Member States for their adoption.

15. *ECLAC stated the Committee of the Whole and the Ad hoc Working Group were scheduled to meet in New York at the end of April 2004 to ensure the widest possible participation of the member States via their United Nations missions.*

16. Although the Caribbean countries had joined ECLAC in 1984, the continued non-participation of small island States and Caribbean countries at ECLAC and Ad hoc Working Group meetings was notable. That was apparently due to the lack of financial or human resources in those countries. OIOS had recommended that ECLAC consider the feasibility of using electronic alternatives to physical attendance, such as voice and/or video conference systems.

17. *ECLAC accepted the OIOS recommendation and stated that it would explore different possibilities of increasing the participation of small island States and Caribbean countries at the intergovernmental meetings scheduled for June/July 2004.*

Economic and Social Commission for Asia and the Pacific

18. The OIOS audit of ESCAP in 2001 did not cover any governance issues since ESCAP was undergoing an internal restructuring at that time.

Calendar of regional commission meetings (ECLAC, ESCWA)

19. Of the five regional commissions, three meet annually and two biennially to discuss their programmes of work for the approaching biennium. The scheduled date for the submission of such programmes to the Headquarters Office of Programme Planning, Budget and Accounts is no later than 29 November of every even-numbered year. In the case of ECLAC, OIOS had recommended that its meeting be shifted to the third quarter of the calendar year so that its programme of work could include the most recent requests by the Member States.

20. *ECLAC accepted the recommendation and rescheduled its next session for 28 June to 2 July 2004; the revised schedule for subsequent meetings would be submitted at that session.*

21. OIOS found that ESCWA had discussed the programme of work for 2004-2005 with its member States in April 2003, but well after the submission of the programme to the Office of Programme Planning, Budget and Accounts in November 2002. That was because the Commission's biennial sessions were held in odd-numbered years, which did not coincide with the Office's scheduled meeting dates in even-numbered years. OIOS had recommended that ESCWA consider rescheduling its meetings to the second quarter (April-June) of every even-numbered year to ensure that the discussion of the programme of work with its member States preceded the November date for submission of the programme to the Office.

22. *ESCWA stated that when it prepared its programme budgets, it consulted with its member States through other means, such as sending budget proposals to the member States' focal points for ESCWA-related matters, and holding meetings of the Advisory Committee of Ambassadors. In addition, various sections of the budget proposals were normally reviewed by ESCWA intergovernmental bodies during their sessions, which were held in even-numbered years in accordance with their mandates. Moreover, medium-term plans had a different cycle than programme budgets and were reviewed in odd-numbered years. Therefore, ESCWA proposed identifying alternative consultative arrangements for those regional commissions that held biennial sessions.*

23. In view of General Assembly resolution 58/269 of 23 December 2003, and subsequent to the prior individual audits of the regional commissions, the medium-term plan has been replaced by the biennial programme plan (a component of the strategic framework), scheduled for mid-February of every even-numbered year. Therefore, OIOS amends its earlier recommendations and now recommends that the regional commissions should ensure that the calendars of their annual/biennial sessions are harmonized with the submissions of the biennial programme plan (a component of the strategic framework) or the proposed programme budgets to the Office of Programme Planning, Budget and Accounts.

IV. Evaluation of the programme of work

24. The United Nations internal evaluation system has two components: (i) self-evaluations; and (ii) in-depth evaluations undertaken by OIOS, which can be requested by the Committee for Programme and Coordination or by the governing bodies of the regional commissions. OIOS audits of the regional commissions identified inconsistencies and weaknesses in the planning, selection, scope, methodology, conclusions, timing and costs of the self-evaluation exercises. Moreover, there was no systematic monitoring of recommendations stemming from those exercises to determine if specific process improvements had been achieved. To date, OIOS has not been requested to undertake any in-depth evaluations of the regional commissions.

Economic Commission for Europe

25. The OIOS review of the self-evaluation exercises conducted by the ECE divisions during 2000 and 2001 identified a number of issues which needed to be addressed. Firstly, those exercises were not based on a standard methodology accepted ECE-wide. Secondly, the ECE secretariat did not assess and centrally report to its Executive Secretary the self-evaluations submitted by the divisions. Similarly, there was no evidence that the implementation of the recommendations contained in the self-evaluations was being centrally monitored. Finally, many recommendations were impractical as they merely mentioned the need for additional resources without an action plan.

26. The guidance on self-evaluations contained in the ECE programme planning, monitoring and evaluation strategy, effective July 2001, directed ECE divisions to carry out self-evaluations of major clusters of activities once every four years. The divisions were to select the methodology and scope. In the opinion of the Office of Internal Oversight Services, that approach should be implemented only after the Executive Secretary reviews and approves the areas selected for self-evaluation. Furthermore, each self-evaluation exercise should include a cost analysis so that both expenditures and results can be used for benchmarking purposes within ECE.

27. OIOS had recommended that the ECE secretariat harmonize the self-evaluation process based on the guidance prepared by the Office of the Executive Secretary and centrally coordinate the process from the formulation of goals and selection of outputs to be evaluated, to monitoring the implementation of related recommendations. *ECE agreed with the recommendations and stated that it was in the process of developing a set of evaluation methodologies that would correspond to the different types of ECE activities and better harmonize the self-evaluation methods employed by the various subprogrammes.*

Economic Commission of Africa

28. No self-evaluation exercises had been carried out by ECA, which some managers justified by introducing impact assessment activities under the results-based budgeting procedures. OIOS had recommended that the ECA management coordinate the development of divisional self-evaluation methodologies and plans and the integration of self-evaluation results into the results-based budgeting procedure. *ECA agreed with that recommendation and stated that the first reports for results-based budgeting 2002-2003 were completed and included assessments of achievements.*

Economic Commission for Latin America and the Caribbean

29. The last self-evaluation exercise in the ECLAC Division of International Trade and Integration was coordinated by the Director and was not adequate to assess and adjust its ongoing activities. Rather, the evaluation was linked mainly to information gathered from the readers of the Division's major publication, *Latin America and the Caribbean in the World Economy*. More specifically, it was based on the analysis of 16 completed questionnaires and on an analysis of the downloads from the ECLAC web site. OIOS found no analysis of expected achievements, difficulties and best practices. In view of OIOS, such an exercise cannot be considered a critical assessment and used by management as an input into future programme activities. OIOS had recommended that the staff of the Division of International Trade and Integration be provided with additional training and guidance in conducting self-

evaluation exercises. *ECLAC accepted that recommendation and stated that the staff would be provided with the required training.*

Economic and Social Commission for Western Asia

30. The Programme Planning and Technical Cooperation Division is responsible for coordinating the self-evaluation exercises performed by all ESCWA divisions. OIOS noted that the ESCWA self-evaluation exercises were not coordinated and that no schedule of exercises had been planned with the substantive divisions for either the 2002-2003 or the 2004-2005 bienniums. Furthermore, the OIOS analysis of the last self-evaluation exercise completed in 2001 showed that the divisions were merely describing their achievements, and that the recommendations of those self-evaluations were not being followed up. Moreover, the self-evaluations focused on the entire subprogramme and did not target selected components or issues. The self-evaluation exercise was not perceived as an internal tool designed to assist ESCWA in assessing and analysing new strategies and best practices. OIOS had recommended that ESCWA prepare a schedule of self-evaluations for the biennium 2004-2005, and use those exercises to institute specific process improvements in programme implementation.

31. *ESCWA stated that its Programme Planning and Technical Cooperation Division had begun coordinating with the substantive divisions in scheduling self-evaluation exercises for the biennium 2004-2005. The self-evaluation exercises would focus on selected components of the subprogrammes and be based on regional and global priorities. ESCWA would take into account the results of those self-evaluations when formulating future programme plans.*

V. Resource mobilization

32. OIOS identified a number of administrative improvements that could be made with respect to resource mobilization. For example, there should be a focal point for fund-raising activities within each regional commission to: (i) follow up on all meetings, contacts and activities; (ii) coordinate, prepare and follow up on the pledging conference, if any; (iii) maintain a database of all projects in need of fund-raising; (iv) prepare a quarterly report on the progress of fund-raising activities for the Executive Secretaries, with circulation to all divisional heads; and (v) exchange best practices and lessons learned in fund-raising efforts.

Economic Commission for Africa

33. ECA has made considerable efforts to strengthen its extrabudgetary resources through the annual Partners Forum, resulting in a significant increase in extrabudgetary funds from approximately $12.4 million for the biennium 2000-2001 to an estimated $21 million for the biennium 2002-2003. ECA has also made notable progress in changing the form of donor support from funds earmarked for specific projects to partnership agreements supporting all programme areas. That shift has provided ECA with more flexibility in the use of its resources.

Economic and Social Commission for Western Asia

34. ESCWA extrabudgetary resources were significantly lower than those of the other regional commissions. In an attempt to raise funds, ESCWA held its first pledging conference during the 2003 session. Pledging documents did not include actual proposals and no amounts were pledged by any of its member States. OIOS noted that there was no uniform control over the flow of projects or their readiness for fund-raising. OIOS had recommended that all projects in need of fund-raising be routed through the Programme Planning and Technical Cooperation Division, which should be the focal point for all ESCWA fund-raising activities.

35. *ESCWA stated that at the pledging conference started in 2003, the documents presented to its member States had not included full project proposals. However, a PowerPoint presentation had been made which had informed them of projects already under implementation by the Commission. In addition, the member States had received a document containing project profiles for which funding had been sought. It was expected that that pledging conference would institutionalize the practice of fund-raising. ESCWA understood that strategic partnership development was the key to mobilizing resources that benefited all programme areas and agreed that a sustained major effort was required to improve its extrabudgetary resource base. ESCWA further agreed that focal points for fund-raising should be identified in each regional commission. In accordance with that recommendation, the Commission's Programme Planning and Technical Cooperation Division was the focal point for all its fund-raising activities. A review of the ESCWA inventory of project proposals was ongoing to ensure better alignment with its priorities.*

Economic and Social Commission for Asia and the Pacific

36. ESCAP appears to have focused excessively on small extrabudgetary projects which were inadequately planned and budgeted. As a result, a large number of professional staff work-months from the regular budget had to be allocated to the execution of those projects. OIOS had recommended that ESCAP base its substantive divisions' capacity to execute extrabudgetary projects on an analysis of the financial, managerial and other requirements needed to conduct its normative core activities. *ESCAP agreed with the recommendation. ESCAP stated that for the biennium 2002-2003, it had established a system for tracking the use of regular budget and extrabudgetary staff resources. Additionally, at the time of the prior individual audit in mid-2001, ESCAP had already adopted a new policy of focusing on larger-scale multidisciplinary projects and using results-based planning as a means of creating greater impact in its technical cooperation work. As a result, the number of extrabudgetary projects had been significantly reduced.*

37. The wide range and material amount of in-kind contributions made by ESCAP to extrabudgetary projects indicated that it needed to establish benchmarks for the number of work-months to be contributed to such projects by regular budget staff. ESCAP could then use those benchmarks as a basis to plan its regular budget resource requirements effectively. OIOS had recommended that ESCAP develop such benchmarks to determine the levels of the Commission's in-kind contributions to extrabudgetary activities.

38. *ESCAP agreed with that recommendation, stating that it would activate the process by considering the nature of each project, the availability of internal expertise and the substantive contributions of its concerned divisions. ESCAP*

further stated that it had ensured that all new projects included an indication of the optimum amount of regular budget professional work-months and United States dollar value to be assigned to each project, reflecting the availability of both internal and external expertise.

VI. Strategy for regional advisory services

39. The regular programme of technical cooperation (sect. 21) of the proposed programme budget finances the salaries of regional advisers, payments to consultants and experts, travel expenses, training fellowships and field projects supporting operational activities. Integration of those services with the activities of the core work programmes is crucial to achieving a coordinated thematic intervention in a region rather than a disjointed singular response. Such integration is possible only if the planning, monitoring, evaluation and reporting of regional advisory services is done in consultation with the substantive divisions and the respective programme planning and monitoring divisions. OIOS found that the role of the regional advisers within the regional commissions was ineffective, owing primarily to problems in coordinating and integrating their activities with the substantive divisions' programmes of work.

Economic and Social Commission for Western Asia

40. The regional advisers had no advance work plans; rather, they depended on periodic requests from the member States or the Executive Secretary. They were monitored administratively by the Programme Planning and Technical Cooperation Division on a daily basis and evaluated substantively by the member States on a biennial basis, with no inputs from the divisional chiefs. The regional advisers also submitted self-evaluations which became part of a consolidated report to ESCWA on a biennial basis. Although the Executive Secretary stated that the regional advisers should distribute their time equally between the substantive divisions and the member States, that allocation of time was not monitored and the regional advisers could only provide a rough estimate of their workload distribution. In the opinion of OIOS, that occurred because the regional advisers reported to more than one entity, thereby weakening their overall effectiveness.

41. OIOS had recommended that ESCWA ensure that its recruitment and distribution of regional advisers be balanced and in accordance with its stated priorities and needs, and that the regional advisers' substantive planning, monitoring, evaluation and reporting be integrated with the substantive divisions. The plans should also form the basis for the regional advisers' evaluations through the United Nations Performance Appraisal System.

42. *ESCWA stated that it would make any necessary adjustments to ensure that the recruitment of regional advisers was balanced, corresponded to its priorities, and was aligned with the needs of its member States in the biennium 2004-2005. Annual work plans had been prepared by the regional advisers in close cooperation with the concerned substantive divisions, covering both the schedules needed to meet requests from the member States and the support required for the Commission's substantive work. Through collaborative planning, monitoring and evaluation, ESCWA aimed to ensure a stronger linkage between the work of the regional advisers and the substantive divisions, thereby increasing the Commission's impact*

at both the regional and national levels. The work plans would serve as the basis for evaluating the regional advisers, together with evaluations from the member States. The final evaluation would be drafted in close coordination with the substantive divisions. The Executive Secretary would be the second reporting officer.

Economic Commission for Africa

43. The regional advisers' roles and functions needed to be clarified and their terms of reference updated. Certain regional advisers were deployed full-time in the substantive divisions in support of core programmes of work, while others spent most of their time exercising their mandated functions, i.e., providing advisory services to the member States. The regional advisers were uncertain as to how to promote their services and identify organizations (other than the member States' ministerial departments and intergovernmental organizations) which would be acceptable recipients of those services.

44. According to the regional advisers, more interaction with the Executive Secretary, division chiefs and team leaders was necessary to determine performance expectations and the ECA strategy for regional advisory services. The regional advisers emphasized the need for regular meetings among themselves to exchange best practices.

45. OIOS had recommended that the ECA management ensure that the regional advisers' terms of reference be updated and made consistent with the requirements under the regular programme of technical cooperation (Sect. 21) of the proposed programme budget.

46. *In response to the OIOS recommendation, ECA stated that all of the regional advisers were working in collaboration with the Executive Secretary and line managers, advising on special projects that were funded from extrabudgetary monies. Owing to the inherent nature of their work, the regional advisers had to remain flexible and often advise on a variety of issues simultaneously; with their years of development experience, they were uniquely qualified to undertake research, analyse issues and provide recommendations. ECA further stated that the new operational guidelines which were currently being prepared would include mechanisms for coordinating the regional advisers' terms of reference with the member States' requests for their services.*

Economic Commission for Europe

47. OIOS noted that four regional advisers had been placed under the substantive divisions in accordance with their respective areas of expertise and five advisers had been assigned to the Coordinating Unit under the Executive Secretary, which did not implement substantive activities. The ad hoc placement of regional advisers' under the Coordinating Unit failed to create the required synergy between the core programme of work and the regional advisory services approved under the regular programme of technical cooperation (Sect. 21) of the proposed programme budget.

48. Although all the regional advisers had individual work plans and had been evaluated since 2001 under the United Nations Performance Appraisal System, a consolidated report on their performances was not submitted to the ECE Executive Secretary. Therefore, there was no basis for confirming or modifying the strategy for regional advisory services.

49. OIOS noted that ECE had hired regional advisers above the authorized level. In August 2002, ECE had nine regional advisers on staff, but had only budgeted to pay for seven. The shortfall was addressed by using funds from the regional advisers' travel budget, which curtailed field support activities. ECE was also deploying some regional advisers to tasks funded from the regular budget.

50. OIOS had recommended that the regional advisers be functionally attached to either substantive divisions or, in the case of cross-cutting issues, such as gender discrimination or sustainable development, to the Office of the Executive Secretary. ECE should consolidate and monitor the regional advisers' work programmes and prepare a consolidated report on their performances. It should also ensure that the number of regional advisers does not exceed the budget allocated for regional advisory services, taking into account all travel-related requirements. In addition, efforts should be made to ensure that the regional advisers are exercising their mandated functions. *ECE accepted those recommendations and stated that the report on the work of the regional advisers was currently available on its web site. Moreover, the regional advisers' work plans were currently collected and consolidated.*

VII. Management of the statistics subprogramme

51. The statistics subprogramme forms the basis for developing the regions' statistical capacity. Regional statistics are an important input into national policy-making and regional cooperation. The subprogramme's importance is further underscored by the fact that all five regional commissions have intergovernmental bodies in this area. However, OIOS was concerned that ESCWA and ECA had not established separate statistics divisions with a minimum critical mass of statisticians to guarantee methodological standards in their respective regions. In the opinion of OIOS, ESCWA and ECA should reconsider the need for such separate statistics divisions to strengthen their statistical strategy and outputs and better guarantee methodological standards in their respective regions.

Economic and Social Commission for Western Asia

52. As a result of restructuring, ESCWA statistical activities were decentralized. The Statistics Division was disbanded and its staff redeployed to the substantive divisions in order to integrate their technical and statistical expertise. The Division was replaced with a Statistics Coordination Unit, headed by the Deputy Executive Secretary. The core functions of the Unit were to act as a regional focal point for the member States, the United Nations Statistics Division, the Department of Economic and Social Affairs and other United Nations, international and regional agencies, and to organize and coordinate the meetings of the Commission's Intergovernmental Statistics Committee and the Interdivisional Statistics Steering Committee. OIOS found that the investment of resources in the statistics subprogramme and the resultant outputs were declining. Furthermore, the contract of the regional adviser for national statistics had been discontinued and no replacement had been hired.

53. The restructuring plan mentioned in the foregoing paragraph dealt with coordination and focal point issues. However, in the opinion of OIOS, the lack of a full-fledged Statistics Division with its own technical leadership deprived ESCWA of a common strategy on statistical development in the region. In view of the decline

in the investment of resources and outputs in that area, the dearth of projects in the member States and the lack of a strategic plan for statistics, OIOS had recommended that the decentralization of the Statistics Division should be re-evaluated in consultation with the member States, the United Nations Statistics Division and the Department of Economic and Social Affairs. The impact of the Division's restructuring should be reported at the next ESCWA session and a decision should be taken on whether to continue the present arrangement or re-establish a centralized Statistics Division.

54. *ESCWA stated that the decentralization of the Statistics Division was designed to: (i) combine the synergies of technical and statistical expertise; (ii) harmonize the discrepancies between the Statistics Division and the substantive divisions; and (iii) produce statistics for particular economic and social sectors so as to enable in-depth analysis and pertinent policy recommendations. Furthermore, the integrity of the statistics subprogramme was ensured through the establishment of a steering committee serviced by a coordinating unit. Neither the resources available for the statistics subprogramme, nor the quality of its outputs, had been jeopardized. ESCWA was of the opinion that it was premature to judge the validity of the decentralization of its statistical functions. Similarly, it was premature to recommend the reversal of an arrangement that had been approved by its member States and put into effect less than a year ago. Monitoring and evaluating ongoing performance should determine subsequent action in that regard.* OIOS reiterates its recommendation so that the new decentralized statistics arrangement can be re-evaluated in consultation with the member States, the United Nations Statistics Division and the Department of Economic and Social Affairs. That will enable the member States to review the workings of the new arrangement at the next session of ESCWA.

Economic Commission for Africa

55. Since 2002, the statistics component of ECA has been assigned to its Economic and Social Policy Division. All the ECA headquarters capacity-building activities in the statistics area were entrusted to only one regional adviser, and in most subregional offices, the Statistician Officer post has been vacant for long periods of time. In addition, inadequate monitoring has allowed several activities to be delayed and carried over from the previous biennium. For example, *The 2001 African Statistical Yearbook* was being printed at the same time as the 2002 *Yearbook*. Following OIOS inquiries about the usefulness of some of those activities (such as the publication in 2003 of *The 2001 African Statistical Yearbook*), ECA decided to discontinue them. In the opinion of OIOS, ECA, together with the member States, should assess the statistics area requirements and review the ECA secretariat's current strategy.

56. *ECA confirmed that statistics constituted a vital part of its work programme and recognized that statistics had not progressed to the same extent as other areas. ECA also recognized that unlike ESCAP and ECLAC in their regions, it had not managed to assume the leadership role in the International Comparison Programme, whose objective in Africa was to provide a comprehensive region-wide statistical capacity-building initiative. ECA was acutely aware that it had fallen short of the member States' expectations. In order to ensure that ECA became strongly positioned to meet those expectations, the Executive Secretary would personally direct the statistics work programme over the following few months. ECA*

would also determine the priority needs of the member States. ECA noted that it had taken steps to be more responsive to the member States by establishing the Advisory Board on Statistics in Africa in May 2003. ECA further stated that under the Executive Secretary, it had been actively working to strengthen its statistics programme, as evidenced by the co-sponsorship, by ECA and the Organization for Economic Cooperation and Development, of the Forum for African Statistical Development, which would be held at ECA on 12 and 13 May 2004. In addition, ECA was in the process of recruiting for three statistics positions which should be filled within three months.

VIII. Monitoring of publications

57. Publications constituted about 12 per cent of the regional commissions' total scheduled outputs during the biennium 2002-2003. These included major flagship publications by subject or theme, while other publications documented the results of meetings and seminars, agreements and technical cooperation activities. OIOS found that there was no established mechanism among the regional commissions for categorizing a publication as a "flagship". Similarly, there were no established criteria for assessing the quality of publications, the timing of flagship publication issuance, the implementation of peer-review exercises, or the composition of the readership. Policies on access to publications and downloading from web sites also needed to be harmonized.

Economic Commission for Africa

58. OIOS was advised that the *Economic Report on Africa 2002*, the ECA annual flagship publication, was insufficiently peer-reviewed by experts drawn from the African region, which differed from past practice. Rather, the report had been submitted for peer-review to experts at the World Bank and two universities. OIOS had recommended that the report be peer-reviewed by African experts and that peer-review modalities be clarified to avoid the reoccurrence of such situations.

59. *ECA agreed with the OIOS recommendations and had undertaken a more comprehensive peer-review process for the Economic Report on Africa 2003, including a review by experts from Africa. ECA did note that the Economic Report on Africa 2002 had been peer-reviewed more widely than stated in the OIOS finding; in fact, it had been discussed at the meeting of the Global Coalition for Africa, which had included representatives from the Department of Economic and Social Affairs, the Office of the Special Adviser on Africa, the International Monetary Fund representatives of two Member States and various think-tank organizations. At another meeting hosted by the Department of Economic and Social Affairs at United Nations Headquarters, the draft report had again undergone a peer-review by experts. ECA also noted that the report's lack of a peer-review by African experts per se had been a singular occurrence. Since then, all ECA flagship publications, including the Economic Report on Africa, had undergone a rigorous peer-review process and had always included a review by African experts as well as by ECA ad hoc expert groups.*

Economic Commission for Latin America and the Caribbean

60. OIOS noted that there were no fixed issuance dates for recurring publications, although there were expected issuance dates in the case of flagship reports and the *CEPAL Review* (a quarterly journal). In general, the expected issuance months had been adhered to, except in the case of the *Notas de Población*, the June and December 2002 editions of which had not been issued until January 2004. In the opinion of OIOS, ECLAC should fix target dates for the issuance of its major recurring publications, particularly its flagship reports, so that it can monitor their timeliness.

61. OIOS also noted that the ECLAC policy was to obtain an internal peer-review for its major publications such as flagship reports. An external peer-review was carried out only for the aforementioned *CEPAL Review*, on an informal, unpaid basis. In response to the OIOS suggestion that an external peer-review be performed for all major publications, ECLAC staff members stated that ECLAC lacked the resources to arrange for such reviews. In addition, such reviews would delay the processing and issuance of its publications, particularly since the external peer-reviews were conducted on an informal, unpaid basis. OIOS had recommended that target dates be fixed for the issuance of major ECLAC recurring publications, particularly its flagship reports, to facilitate monitoring their timeliness and that external peer-reviews be mandatory for those publications. Funds should also be provided to pay for those reviews to ensure the quality and timeliness of the publications.

62. *ECLAC accepted the OIOS recommendation, but stated that the dates for the issuance of its flagship publications were scheduled in advance and had generally been adhered to with only a small degree of variance. Funds would be made available for quality reviews to the extent possible under the circumstances. At its meeting on 10 March 2004, the ECLAC Publications Committee undertook to review its mechanism for ensuring the quality of all its publications.*

Economic and Social Commission for Western Asia

63. OIOS noted that there were no fixed dates for the release of recurring ESCWA publications, or a clear understanding of flagship reports by the substantive divisions. ESCWA had no policy requiring an internal or external peer-review of its publications for the biennium 2002-2003. In addition, there was no plan for submitting publications and routing them to the Conference Services Section. As a result, OIOS noted that 46 per cent of the publications had been submitted to the Section in the last four months of the biennium, resulting in inevitable processing delays. Moreover, only 51 per cent of the publications for the biennium 2002-2003 had been edited by the Conference Services Section. Furthermore, in 12 cases, translations were completed without any editing. Finally, OIOS noted that the configuration of the ESCWA web site did not allow automatic downloading of its documents.

64. OIOS had recommended that ESCWA monitor and report periodically on the type and volume of its publications' readership, identify its flagship publications and fix specific target dates for their issuance to maintain their timeliness and to serve its clients better. Moreover, external peer-reviews should be made mandatory and, at a minimum, cover major ESCWA publications, such as its flagship reports. The remaining publications should be internally peer-reviewed before distribution.

A budgetary provision for external peer-reviews should provide for the payment of those reviews in order to ensure the quality and timeliness of ESCWA publications. ESCWA should also develop a plan for submitting publications and routing them internally to avoid their accumulation in the last few months of a biennium. Finally, all publications should be edited before translation and the ESCWA web site should allow for the automatic downloading of publications.

65. *ESCWA accepted the OIOS assessment and related recommendations. ESCWA will coordinate with the other regional commissions and United Nations departments to apply best practices towards improving the quality of its publications. That will be managed within available resources and a provision included in the budget for the biennium 2006-2007. Furthermore, during 2004, ESCWA will initiate an internal peer-review process for its recurrent publications and an external peer-review process for its flagship publications, in accordance with a procedure and criteria to be established. ESCWA will try to abide by planned time frames and target dates for its work programme outputs. ESCWA will also develop a plan and schedule for submitting publications for internal processing and production and arrange for the automatic downloading of publications from its web site.*

IX. Recommendations

66. The OIOS recommendations address issues common to the regional commissions and generally arise from the prior individual audits of the regional commissions. While two of the commissions have commented on and welcomed the recommendations as consolidated in the present report, the others have not provided specific comments. OIOS is aware that the recommendations herein should be further discussed among the regional commissions and that specific arrangements for their implementation should be made by the Executive Secretaries of the commissions. OIOS will monitor the specific arrangements made to implement these recommendations.

Recommendation 1

67. The New York Office of the regional commissions, with the guidance of the Executive Secretaries of the regional commissions, should make its annual report, entitled "Regional cooperation in the economic, social and related fields", more succinct. That would facilitate the Economic and Social Council's discussion of the linkages among the work of the regional commissions and other United Nations entities in the economic and social sectors. The report should specifically highlight the policy and coordination issues for the Council's consideration. In that regard, section IV of the report (which summarizes the Executive Secretaries' discussions on common issues of interest) should be moved to the beginning of the report. Moreover, the introduction of the report should include, for the Council's consideration and approval, proposals relating to policy coherence and cooperation among the regional commissions themselves and among the regional commissions and other related United Nations entities (AN/2003/459/01/001).*

* The symbols in parentheses in this section refer to an internal code used by the Office of Internal Oversight Services for recording recommendations.

68. *The Executive Secretaries of the regional commissions agreed with the OIOS recommendations to shorten and reorganize the annual report. That would strengthen Economic and Social Council deliberations and improve the linkages among the regional commissions and other United Nations entities in the economic and social sectors.*

Recommendation 2

69. The Executive Secretaries of the regional commissions should request the Office of Economic and Social Council Support and Coordination, Department of Economic and Social Affairs, which services the Economic and Social Council, to propose that the Council move its discussions relating to the regional commissions from its general segment to a special segment, with a day dedicated to incorporating the regional perspectives into the wide-ranging issues being considered at a global intergovernmental forum. In addition, the regional commissions' participation should include the Executive Secretaries and representatives of the regional intergovernmental mechanisms, such as chairpersons of the regional commissions or other nominated representatives. Participation in preparatory meetings for the special and high-level segments would also enhance the regional commissions' dialogue with the Economic and Social Council (AN/2003/459/01/002).

70. *The Executive Secretaries of the regional commissions fully supported the OIOS recommendation to dedicate a day in the form of a special segment at Economic and Social Council meetings to the discussion of issues relating to the regional commissions. That would facilitate the incorporation of regional perspectives into wide-ranging issues being considered at a global intergovernmental forum. With respect to participation at the meetings, the Executive Secretaries of the regional commissions also made that proposal in their 1999 annual report as a measure for improving the structural relationship among the regional commissions and the Economic and Social Council. They reiterated that that should be pursued with the Bureau of the Council.*

Recommendation 3

71. The Executive Secretaries of the regional commissions should undertake an overall re-assessment of their intergovernmental machinery to streamline the processes and avoid duplication. Recommendations to revitalize and support those entities that could be useful and a change in the focus of others that have been inactive should be presented to the member States for their consideration. The Executive Secretaries should specifically review the overall coherence and effectiveness of their respective intergovernmental bodies, with particular emphasis on: (i) standardizing rules and procedures for the establishment of those bodies (including subsidiary bodies); (ii) regularly reviewing and monitoring participation by members of the regional commissions; (iii) clarifying mandates to avoid overlap among different bodies; (iv) revisiting mandates of non-functioning bodies; (v) aligning those bodies and the substantive divisions servicing them; and (vi) regularly reporting and following-up on the recommendations made by intergovernmental bodies. The results of that review should be included in the report on regional cooperation in the economic, social and related fields. That would allow for an integrated view of the impact of intergovernmental bodies in the various regions and facilitate the exchange of best practices among all the regional commissions (AN/2003/459/01/003).

72. *ESCWA and ECA specifically agreed with this recommendation. ECLAC and ECE had agreed with the related recommendations made during prior individual audits by OIOS, but did not specifically comment on the consolidated recommendation in the present report. ESCAP did not comment on this recommendation.*

Recommendation 4

73. The Executive Secretaries of the regional commissions should ensure that the calendars of their annual/biennial sessions are harmonized with the submissions of the biennial programme plan (a component of the strategic framework) or the proposed programme budgets to the Headquarters Office of Programme Planning, Budget and Accounts (AN/2003/459/01/004).

74. *ESCWA stated that if both the biennial programme plan (a component of the strategic framework) and the programme budgets were to be reviewed by intergovernmental bodies, the regional commissions would have to hold annual sessions. Its response was based on the OIOS draft recommendation which had currently been reformulated to take into account General Assembly resolution 58/269, as discussed in paragraph 23 above. ECA concurred with the recommendation and stated that it was already in compliance. ECLAC had agreed with the related recommendation made during the prior individual audit by OIOS, but did not specifically comment on the consolidated recommendation in the present report. ECE and ESCAP did not comment on this recommendation.*

Recommendation 5

75. The Executive Secretaries of the regional commissions should agree on a common policy with respect to self-evaluations so that: (i) evaluation approaches and procedures can be harmonized, especially with respect to the planning and selection of the entity to be evaluated, the scope of the evaluation, its methodology, conclusions, timing and costs; (ii) their cycle and depth are sufficient to cover all the programmes of work and their component parts periodically; and (iii) the recommendations arising out of those evaluations may be monitored and reported to the Executive Secretaries in order to achieve specific process improvements. In accordance with the guidance provided by OIOS on programme monitoring and reporting, self-evaluation findings should be incorporated into the regular reporting under the results-based budgeting framework (AN/2003/459/01/005).

76. *ESCWA and ECA agreed with the recommendation. ECLAC and ECE had agreed with the related recommendations made during the prior individual audits by OIOS, but did not specifically comment on the consolidated recommendation in the present report. ESCAP did not comment on this recommendation.*

Recommendation 6

77. OIOS recommends that in the area of fund-raising, there should be a focal point within each regional commission to: (i) follow up on all fund-raising meetings, contacts and activities; (ii) coordinate, prepare and follow up on the pledging conference; (iii) maintain a database of all projects in need of fund-raising; (iv) prepare a quarterly report on the progress of fund-raising activities for the Executive Secretaries, with circulation to all divisional heads; and (v) exchange best practices and lessons learned in fund-raising efforts (AN/2003/459/01/006).

78. *ESCWA agreed that a focal point for fund-raising should be identified in each regional commission. ECA again stated that it did not engage in fund-raising for specific projects and that the recommendation was therefore inapplicable to its situation. ESCAP had agreed with the related recommendation made during the prior individual audit by OIOS, but did not specifically comment on the consolidated recommendation in the present report. ECE and ECLAC did not comment on this recommendation.*

Recommendation 7

79. The Executive Secretaries of the regional commissions should exchange best practices with respect to the recruitment of regional advisers, the development of work plans and the monitoring, reporting and evaluation of all regional advisory activities, so that their respective regional advisory services can be better integrated into their substantive divisions' work programmes and thereby achieve maximum thematic impact (AN/2003/459/01/007).

80. *ECA and ESCWA concurred with this recommendation and welcomed the opportunity to exchange best practices regarding the management of regional advisers. ECE had agreed with the related recommendation made during the prior individual audit by OIOS, but did not specifically comment on the consolidated recommendation in the present report. ESCAP and ECLAC did not comment on this recommendation.*

Recommendation 8

81. The Economic and Social Commission for Western Asia and the Economic Commission for Africa should review whether the re-establishment of separate statistics divisions, with a minimum critical mass of statisticians, would strengthen their statistical strategy and outputs and better guarantee methodological standards in their respective regions. An exchange of best practices among the regional commissions could contribute to that assessment (AN/2003/459/01/008).

82. *ECA commented that it was in the process of exploring various options to strengthen its statistics subprogramme. ESCWA did not accept this recommendation, stating that it was premature to (i) judge the validity of the decentralization of its statistical functions, and (ii) recommend the reversal of an arrangement that was approved by its member States and put into effect less than a year ago.* OIOS reiterates its recommendation so that the new decentralized statistics arrangement can be re-evaluated in consultation with the member States, the United Nations Statistics Division and the Department of Economic and Social Affairs. That will enable the member States to review the workings of the new arrangement at the next session of the Economic and Social Commission for Western Asia.

Recommendation 9

83. The Executive Secretaries of the regional commissions should establish a mechanism for: (i) assessing the quality of publications; (ii) categorizing a publication as a "flagship"; (iii) harmonizing the timing of the issuance of flagship publications; (iv) implementing peer-review exercises; (v) assessing the composition of the readership; and (vi) exchanging best practices and lessons learned. That could enable the regional commissions to improve the dissemination of information to

their respective regions, improve access to their publications and standardize policies for the downloading of their documents (AN/2003/459/01/009).

84. *ESCWA and ECA agreed with this recommendation. ECA specifically commented that it was in the process of reviewing its entire communications programme, with particular emphasis on the issuance of publications, and that it was looking forward to exchanging best practices with the other regional commissions. ECLAC had agreed with the related recommendation made during the prior individual audit by OIOS, but did not specifically comment on the consolidated recommendation in the present report. ESCAP and ECE did not comment on this recommendation.*

(*Signed*) Dileep **Nair**
Under-Secretary-General
Office of Internal Oversight Services